



2004 CROP INSURANCE FACT SHEET

CORN



THIS FACT SHEET POINTS OUT CERTAIN FEATURES OF CROP INSURANCE AND IS NOT INTENDED TO BE COMPREHENSIVE. THE INFORMATION BELOW NEITHER MODIFIES NOR REPLACES TERMS AND CONDITIONS OF THE BASIC POLICY, THE CROP PROVISIONS, OR THE COUNTY ACTUARIAL DOCUMENTS. CONTACT A CROP INSURANCE AGENT FOR FURTHER DETAILS.

CROP INSURED

Insurable corn includes field corn planted for harvest as grain or silage (if provided for on the county actuarial tables). Corn may be of yellow dent, white, mixed yellow and white, waxy, or high-lysine varieties. Excluded from coverage are any varieties of high-amylose, high-oil, high-protein, flint, flour, Indian, or blue corn. Corn varieties genetically adapted to provide forage for wildlife and open-pollinated varieties are not insurable. Silage-only corn varieties cannot be insured for grain.

CAUSES OF LOSS

Adverse Weather Conditions (including hail, frost, freeze, drought, and excess precipitation)

Insects*

Plant Disease*

Wildlife

Fire

* But not damage due to insufficient or improper application of pest or disease control measures.

DUTIES IN THE EVENT OF DAMAGE OR LOSS

- Protect the crop from further damage by providing sufficient care;
- Notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period);
- Leave representative samples intact for each field of the damaged unit

INSURANCE UNITS

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

Basic Unit: A basic unit includes all of your wheat acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

Optional Units: If a basic unit consists of two or more Farm Serial Numbers (FSN) and certain record-keeping criteria are met, you may apply for optional units by FSN. The 10% discount will not apply.

IMPORTANT DATES

Sales Closing Dates → → → **February 28, 2004** (NC) **March 15, 2004** (other states ♦)

Final Planting and Acreage Reporting Dates vary by state and county. Please consult an agent.

♦ States served by the Raleigh Regional Office: CT DE ME MD MA NH NJ NY NC PA RI VT VA WV

DEFINITIONS

Production Guarantee

Number of bushels or tons guaranteed, determined by multiplying your average yield (based on your records) times the coverage level you elect.

Price Election

Price used to calculate your premium or indemnity:

	<u>Grain</u>	<u>Silage</u>
Established Price	\$2.10 per bu	\$20.00 per ton
Additional Price	\$2.45 per bu	

2004 Corn

COVERAGE LEVELS

Your bushel guarantee depends on the coverage level you choose. Coverage levels range from 50 to 75 percent of your average APH yield) (*up to 85 percent in certain counties in DE, MD, NC, PA, & VA*). For example, an average corn yield of 100 bu/ac results in a guarantee of 75 bu/ac at the 75% level. **Catastrophic (CAT) Coverage** is fixed at **50%** of your average yield and **55%** of the Price Election. CAT coverage costs an administrative fee of \$100 per crop per county, regardless of the acreage.

PREMIUM SUBSIDY

Crop insurance premiums are subsidized as shown in the following table. For example, if you selected the 75 percent coverage level, your premium share would be 45 percent of the base premium:

Coverage Level	50	55	60	65	70	75	80*	85*
Premium Subsidy	67%	64%	64%	59%	59%	55%	48%	38%

*where applicable

INSURANCE PERIOD

Coverage usually begins when the crop is planted and ends at the earliest of:

- ◆ Total destruction of the crop
- ◆ Harvest of the corn or silage
- ◆ Final adjustment of a loss
- ◆ Abandonment of the crop
- ◆ **December 10:** grain in all states
- ◆ **September 30:** silage in NC & VA
- ◆ **October 20:** silage in DE, MD, WV & states north thereof

REPLANT PROVISION

(Not available under catastrophic coverage)

A replanting payment is allowed if your corn crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your bushel guarantee and it is practical to replant. The maximum payment will be the price election multiplied by 8 bushels (or 1 ton for silage).

LATE AND PREVENTED PLANTING

These provisions provide reduced protection on acreage that is planted late or that cannot be planted by the final planting date or within the late planting period. Consult a crop insurance agent for more details.

GROUP RISK PLAN (GRP)

This type of coverage on corn is available in certain counties in Delaware, Maryland, North Carolina, Pennsylvania, and Virginia. GRP coverage is based on the average county-wide yield rather than a grower's individual farm yields. Coverage levels up to 90 percent of the expected county yield can be obtained at rates generally lower than traditional crop insurance. This lower-cost coverage might especially appeal to growers whose yields vary directly with county yields and who do not wish to furnish individual yield records.

LOSS EXAMPLE - CORN (for grain)

(Based on Actual Production History (APH) yield of 100 bu/ac, 65% coverage level, non-irrigated, and one basic unit.)

100	bushels per acre average yield (APH yield)
x .65	coverage level
65	bushels per acre guarantee
- 15	bushels per acre actually produced
50	bushels per acre loss
x \$2.45	price election
\$122.50	gross indemnity per acre
- \$5.00	estimated premium per acre (varies by county)
\$117.50	net indemnity per acre

For more information, visit the Risk Management Agency web site at www.rma.usda.gov

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